

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS**

Independent Accountant's Report on
Applying Agreed-Upon Procedures
to the Successor Agency to the
Community Development Commission
for the City of Santa Fe Springs

As Prescribed in Section 34179.5 of
the California Health and Safety Code

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS**

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Sacramento

Walnut Creek

Oakland

LA/Century City

San Diego

Seattle

Successor Agency to the Community Development Commission
for the City of Santa Fe Springs
Santa Fe Springs, California

**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

We have performed the procedures in Attachment A, which were agreed to by the Successor Agency to the Community Development Commission for the City of Santa Fe Springs (Successor Agency), California State Controller's Office and California Department of Finance (collectively referred to as Specified Parties) solely to assist you in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code) as of June 30, 2012.

The scope of this engagement was limited to performing the agreed-upon procedures set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

Management of the Successor Agency is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested, or for any other purpose.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund of the former redevelopment agency and the balance available for transfer to the taxing entities. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, California State Controller's Office and the California Department of Finance, and is not intended to be, and should not be used by anyone other than these specified parties.

Macias Fini & O'Connell LLP

Newport Beach, California
October 9, 2012

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**Successor Agency to the Community Development Commission for the City of Santa Fe Springs
Attachment A - Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Fund**

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Successor Agency on or about February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Finding: Based on our discussion with management, all of the assets of the Low and Moderate Income Housing Fund of the former redevelopment agency were transferred to the Housing Successor upon dissolution. As such, there were no assets transferred from the Low and Moderate Income Housing Fund to the Successor Agency. We verified the results of our inquiry with management through inspection of the Successor Agency's accounting records.

2) **Procedures:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Funds from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Funds held by the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Successor Agency to the Community Development Commission for the City of Santa Fe Springs
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

Findings: We noted that the State Controller's Office has not completed its review of transfers as of the date of this report.

For procedure 2A and 2C, we reviewed the minutes of the Santa Fe Springs Community Development Commission (CDC) special meeting held on March 10, 2011, noting the CDC approved the transfer of properties from CDC to the City of Santa Fe Springs (City). We noted that there was no legal document that formed the basis for the enforceable obligation that required the transfer. Please refer to Exhibit A for the results of the procedures performed.

For procedures 2B and 2C, we reviewed the Housing Assets Transfer Form submitted to the Department of Finance and noted disallowed transfers of assets in the aggregate amount of \$4,074,579. All other assets listed on the Housing Asset Transfer Form were approved by the Department of Finance. Please refer to Exhibit B for the results of the procedures performed.

3) **Procedures:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Funds from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Funds held by the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: We noted the State Controller's Office has not completed its review of transfers as of the date of this report. Transfers to other public agencies or private parties, as defined in Health and Safety Code 34179.5 (C)(3), is the "...dollar value of any cash and cash equivalents transferred after January 1, 2011, through June 30, 2012..." There were no transfers of cash and cash equivalents to other public agencies or private parties from the

**Successor Agency to the Community Development Commission for the City of Santa Fe Springs
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

former redevelopment agency's Low and Moderate Income Housing Fund or Successor Agency. As such, procedures 3A through 3C are not applicable.

4) **Procedure:**

Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the AUP report.

Finding: Based on our discussion with management, all of the assets of the Low and Moderate Income Housing Fund of the former redevelopment agency were transferred to the Housing Successor upon dissolution. As such, there were no assets transferred from the Low and Moderate Income Housing Fund to the Successor Agency. We verified the results of our inquiry with management through inspection of the Successor Agency's accounting records.

5) **Procedures:**

Obtain from the Successor Agency a listing of asset balances transferred from the Low and Moderate Income Housing Fund held on June 30, 2012, that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**Successor Agency to the Community Development Commission for the City of Santa Fe Springs
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

- C. Other assets considered to be legally restricted:
- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings: No exceptions were noted as a result of the procedures. Please refer to Exhibit C for the listing of the Low and Moderate Income Housing Fund restricted assets as of June 30, 2012. Based on our discussion with management, all of the assets of the Low and Moderate Income Housing Fund of the former redevelopment agency were transferred to the Housing Successor upon dissolution. The restricted assets listed in Exhibit C were either not included in the Housing Asset Transfer Form submitted to the Department of Finance (DOF) or reject by the DOF upon review. Therefore, these Low and Moderate Income Housing restricted assets should have been transferred to the Successor Agency.

6) **Procedures:**

- A. Obtain from the Successor Agency a listing of assets transferred from the Low and Moderate Income Housing Fund as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value, as recently estimated by the Successor Agency.
- B. If the assets listed at 6A are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 6B, inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

**Successor Agency to the Community Development Commission for the City of Santa Fe Springs
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

- D. If the assets listed at 6A are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Findings: No exceptions were noted as a result of the procedures. Please refer to Exhibit D for the listing of the Low and Moderate Income Housing Fund assets other than cash and cash equivalents as of June 30, 2012. Based on our discussion with management, all of the assets of the Low and Moderate Income Housing Fund of the former redevelopment agency were transferred to the Housing Successor upon dissolution. The assets other than cash and cash equivalents listed in Exhibit D were either not included in the Housing Asset Transfer Form submitted to the Department of Finance (DOF) or reject by the DOF upon review. Therefore, these Low and Moderate Income Housing assets other than cash and cash equivalents should have been transferred to the Successor Agency.

7) **Procedures:**

- A. If the Successor Agency believes that asset balances transferred from the Low and Moderate Income Housing Fund need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012, that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues, together with balances transferred from the Low and Moderate Income Housing Fund dedicated or restricted to an enforceable obligation, are insufficient to fund future obligation payments, and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

**Successor Agency to the Community Development Commission for the City of Santa Fe Springs
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012, and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures 7A, B, or C were performed, calculate the amount of current unrestricted balances of assets transferred from the Low and Moderate Income Housing Fund necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Findings: We noted the Successor Agency did not believe that asset balances from the Low and Moderate Income Housing Fund pertaining to this procedure need to be retained to satisfy enforceable obligations.

**Successor Agency to the Community Development Commission for the City of Santa Fe Springs
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

8) **Procedure:**

If the Successor Agency believes that, as of June 30, 2012, cash balances transferred from the Low and Moderate Income Housing Fund need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012, and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash transferred from the Low and Moderate Income Housing Fund that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Findings: We noted the Successor Agency did not believe that cash balances from the Low and Moderate Income Housing Fund need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013.

9) **Procedure:**

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012, as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment.

Finding: Please refer to Exhibit E for the results of this procedure.

10) **Procedure:**

Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from assets of the Low and Moderate Income Housing Fund from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012, that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Finding: No exceptions were noted as a result of this procedure.

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SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS

**EXHIBIT A - FORMER REDEVELOPMENT AGENCY'S LOW AND MODERATE INCOME HOUSING FUND ASSET TRANSFERS TO THE CITY OF SANTA FE SPRINGS FOR THE PERIOD
JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer.	Finding	Finding Amount
1 Land- Lakeland/Laurel	City of Santa Fe Springs	3/10/2011	\$ 7,113,649	Transfer housing assets to City - assets restricted for housing purposes by California Redevelopment Law. Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process. We noted that there was no legal document that formed the basis for the enforceable obligation that required the transfer.	\$ 7,113,649	
2 Land- Fulton	City of Santa Fe Springs	3/10/2011	2,566,917	Transfer housing assets to City - assets restricted for housing purposes by California Redevelopment Law. Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process. We noted that there was no legal document that formed the basis for the enforceable obligation that required the transfer.	2,566,917	
3 Land	City of Santa Fe Springs	3/10/2011	3,194,876	Transfer housing assets to City - assets restricted for housing purposes by California Redevelopment Law. Item was not listed in the Housing Asset Transfer Form submitted to the Department of Finance. We noted that there was no legal document that formed the basis for the enforceable obligation that required the transfer.	3,194,876	
						<u>\$ 12,875,442</u>
						<u>\$ 12,875,442</u>

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SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT B - SUCCESSOR AGENCY'S LOW AND MODERATE INCOME HOUSING FUND ASSET TRANSFERS TO SANTA FE SPRINGS HOUSING SUCCESSOR
FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer.	Finding	Finding Amount
1 Cash and cash equivalents	Housing Successor	2/1/2012	\$ 1,706,848	Health and Safety Code 34176(a)(1)	Item was not included on the Asset transfer form submitted to the Department of Finance.	\$ 1,706,848
2 Cash with fiscal agent	Housing Successor	2/1/2012	418,894	Health and Safety Code 34176(a)(1)	Item was not included on the Asset transfer form submitted to the Department of Finance.	418,894
3 Accounts receivable	Housing Successor	2/1/2012	29,099	Health and Safety Code 34176(a)(1)	Item was not included on the Asset transfer form submitted to the Department of Finance.	29,099
4 ERAF Loan Receivable - RDA Successor Agency	Housing Successor	2/1/2012	1,000,000	Health and Safety Code 34176(a)(1)	None noted	-
5 SERAF Loan Receivable - RDA Successor Agency	Housing Successor	2/1/2012	2,162,737	Health and Safety Code 34176(a)(1)	None noted	-
6 SERAF Loan Receivable - RDA Successor Agency	Housing Successor	2/1/2012	30,708	Health and Safety Code 34176(a)(1)	None noted	-
7 Loan receivable - City of Santa Fe Springs General Fund	Housing Successor	2/1/2012	1,437,861	Health and Safety Code 34176(a)(1)	None noted	-
8 Villages affordable housing deposit	Housing Successor	2/1/2012	1,000,000	Health and Safety Code 34176(a)(1)	Item was not included on the Asset transfer form submitted to the Department of Finance	1,000,000
9 JPIA Liability Deposit	Housing Successor	2/1/2012	10,583	Health and Safety Code 34176(a)(1)	Item was not included on the Asset transfer form submitted to the Department of Finance	10,583
10 Housing Assistance Loans Receivable - Alisa Lozano	Housing Successor	2/1/2012	20,000	Health and Safety Code 34176(a)(1)	None noted	-
11 Housing Assistance Loans Receivable - Michael Givens	Housing Successor	2/1/2012	20,000	Health and Safety Code 34176(a)(1)	None noted	-
12 Housing Assistance Loans Receivable - Maria Jaramillo	Housing Successor	2/1/2012	20,000	Health and Safety Code 34176(a)(1)	None noted	-
13 Housing Assistance Loans Receivable - Jose Franco	Housing Successor	2/1/2012	20,000	Health and Safety Code 34176(a)(1)	None noted	-
14 Housing Assistance Loans Receivable - Galindo/Ayon	Housing Successor	2/1/2012	20,000	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	20,000
15 Land Held for Resale - -9257 Millergrove	Housing Successor	2/1/2012	520,032	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	520,032
16 Land Held for Resale - 9735 Bartley	Housing Successor	2/1/2012	281,768	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	281,768
17 Ford F-250 Xtra Cab Utility Bed	Housing Successor	2/1/2012	2,200	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	2,200
18 Ford F-150 Xtra Cab	Housing Successor	2/1/2012	4,418	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	4,418

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT B - SUCCESSOR AGENCY'S LOW AND MODERATE INCOME HOUSING FUND ASSET TRANSFERS TO SANTA FE SPRINGS HOUSING SUCCESSOR
FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012 (CONTINUED)**

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer.	Finding	Finding Amount
19 Ford F-150 Xtra Cab	Housing Successor	2/1/2012	3,918	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	3,918
20 Ford F-350 Super Duty Xtra Cab Utility Bed	Housing Successor	2/1/2012	15,227	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	15,227
21 GMC 1/2 ton Regular Cab	Housing Successor	2/1/2012	5,914	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	5,914
22 Ford F-250 Super Duty Regular Cab	Housing Successor	2/1/2012	8,407	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	8,407
23 Ford F-350 Super Duty Quad Cab Utility Bed	Housing Successor	2/1/2012	22,088	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	22,088
24 Ford F-350 Super Duty Quad Cab Utility Bed	Housing Successor	2/1/2012	23,283	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	23,283
25 Misc Utility Trailer	Housing Successor	2/1/2012	700	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	700
26 Misc Utility DumpTrailer	Housing Successor	2/1/2012	1,200	Health and Safety Code 34176(a)(1)	Item was rejected by the Department of Finance on the Housing Asset transfer form. The City initiated the Meet and Confer process.	1,200
27 Tools and Equipment	Housing Successor	2/1/2012	70,000	Health and Safety Code 34176(a)(1)	None noted	-
<u>\$ 8,855,885</u>						<u>\$ 4,074,579</u>

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT C - LOW AND MODERATE INCOME HOUSING FUND RESTRICTED ASSETS HELD BY
THE SUCCESSOR AGENCY AS OF JUNE 30, 2012**

A. Unspent Bond Proceeds

Assets	6/30/2012	Computation of the Restricted Balance	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
Bond reserve requirements for 2001 Tax Allocation Bonds	\$ 203,528	Not applicable	Fiscal Agent Statement	Page 4 of the Official Statement, 2001 Tax Allocation Bonds, Series A, Indenture of Trust legally restricts this asset. The restriction is in effect until the bond proceeds are expended.
Bond reserve requirements for 2003 Tax Allocation Bonds	977,997	Not applicable	Fiscal Agent Statement	Page 12 of the Official Statement, 2003 Tax Allocation Bonds, Indenture of Trust legally restricts this asset. The restriction is in effect until the bond proceeds are expended.
Total Assets	<u>\$ 1,181,525</u>			

B. Grant Proceeds and Program Income

Repayment of Loan - Lozano	\$ 600	Not applicable	Accounting records	H&S Code Section 3417(e)(4) restituted "fairly funds derived from rents or operation of properties acquired for low-and moderate-income housing purpose by other parties that were financed with any source of funds, including ...principal and interest payments from homebuyers subject to enforceable income limits." This restriction is in effect until this program income is expended for housing related activities.
Total Assets	<u>\$ 600</u>			

C. Other Assets Considered Legally Restricted

Housing Assistance - Cecilia Pasos	\$ 20,000	Not applicable	Contract	Page 2 of the Purchase and Sale Agreement restricted this asset. The restriction is in effect until the \$20,000 loan secured by a second deed of trust is funded.
Total Assets	<u>\$ 20,000</u>			

Summary of Restricted Assets Listed in Tables A, B and C

\$ 1,202,125 *

* Note: These restricted assets were not held by the Successor Agency as of June 30, 2012. They were either not included in the Housing Asset Transfer Form submitted to the Department of Finance (DOF) or rejected by the DOF. Therefore, these Low and Moderate Income Housing restricted assets should have been transferred to the Successor Agency.

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT D - LOW AND MODERATE INCOME HOUSING FUND ASSETS OTHER THAN CASH AND CASH EQUIVALENTS
HELD BY THE SUCCESSOR AGENCY AS OF JUNE 30, 2012**

Asset	6/30/2012	Basis (i.e. Book Value/Fair Market Value)	Description of the records provided supporting the book value listed (i.e. previously audited financial statements or the accounting records) and any differences noted. If differences pertain to disposal of assets, note whether the proceeds were deposited into the Successor Agency.	Description of the methodology used to support the market value listed. If no evidence is available to support the value and/or the methodology used, note as a finding in the report.
Land- Lakeland/Laurel	\$ 7,113,649	Book Value	Accounting records	N/A - Book Value
Land- Fulton	2,566,917	Book Value	Accounting records	N/A - Book Value
Land	3,194,876	Book Value	Accounting records	N/A - Book Value
Accounts receivable	29,098	Book Value	6/30/11 Audited Financial Statements	N/A - Book Value
Villages affordable housing deposit	1,000,000	Book Value	6/30/11 Audited Financial Statements	N/A - Book Value
JPIA Liability Deposit	10,583	Book Value	Accounting records	N/A - Book Value
Housing Assistance Loans Receivable - Galindo/Ayon	20,000	Book Value	Accounting records	N/A - Book Value
Land Held for Resale - 9257 Millergrove	520,032	Book Value	Accounting records	N/A - Book Value
Land Held for Resale - 9735 Bartley	281,768	Book Value	Accounting records	N/A - Book Value
Ford F-250 Xtra Cab Utility Bed	2,200	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Ford F-150 Xtra Cab	4,418	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Ford F-150 Xtra Cab	3,918	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Ford F-350 Super Duty Xtra Cab Utility Bed	15,227	Market Value	Estimated market value per Kelley Blue Book	KBB.com
GMC 1/2 ton Regular Cab	5,914	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Ford F-250 Super Duty Regular Cab	8,407	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Ford F-350 Super Duty Quad Cab Utility Bed	22,088	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Ford F-350 Super Duty Quad Cab Utility Bed	23,283	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Misc Utility Trailer	700	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Misc Utility Dump Trailer	1,200	Market Value	Estimated market value per Kelley Blue Book	KBB.com
Total Assets	<u>\$ 14,824,278</u> *			

* Note: These assets other than cash and cash equivalents were not held by the Successor Agency as of June 30, 2012. They were either not included in the Housing Asset Transfer Form submitted to the Department of Finance (DOF) or rejected by the DOF. Therefore, these Low and Moderate Income Housing assets other than cash and cash equivalents should have been transferred to the Successor Agency.

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT E - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE AVAILABLE TO DISTRIBUTE
TO AFFECTED TAXING ENTITIES**

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 4)	\$	-
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		16,950,021
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 5)		(1,202,125)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 6)		(14,824,278)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 7)		-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 8)		-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-
Amount to be remitted to county for disbursement to taxing entities	\$	923,618

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